

## Message Text

CONFIDENTIAL

PAGE 01 DOHA 00420 291343Z  
ACTION L-03

INFO OCT-01 NEA-10 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05  
NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07 SP-02  
SS-15 STR-07 TRSE-00 ACDA-12 OPIC-03 /124 W  
-----021870 300217Z /75

R 291145Z MAR 78  
FM AMEMBASSY DOHA  
TO SECSTATE WASHDC 3516

C O N F I D E N T I A L DOHA 420

E.O. 11652: GDS  
TAGS: ENRG, QA  
SUBJECT: CANCELLATION OF HOLCAR OIL CONCESSION IN QATAR

REF: DOHA 405

1. DIRECTOR OF PETROLEUM AFFAIRS, ABDULLAH SALLAT, HAS SENT EMBASSY COURTESY COPY OF CABLE TO HOLLEY AND CARVER (THROUGH HOLLEY'S CABLE ADDRESS) WHICH CANCELS HOLCAR CONCESSIONARY AGREEMENT. FULL TEXT OF MESSAGE IS IN PARA THREE BELOW.

2. ACTION: TO PRECLUDE ACTION CITED IN UNNUMBERED SECOND PARAGRAPH OF TEXT, PLEASE INFORM HOLLEY AND CARVER THAT CANCELLATION NOTICE HAS BEEN ISSUED.

3. TEXT:

QTE HOLCAR'S COMPANY  
ATTN: MR. CARVER  
MR. HOLLEY

WE WOULD LIKE TO INFORM YOU HEREBY THAT A DECISION HAS BEEN TAKEN TODAY BY H.E. THE MINISTER OF FINANCE AND PETROLEUM TERMINATING YOUR AGREEMENT DATED 1ST JANUARY 1976.  
CONFIDENTIAL

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PAGE 02 DOHA 00420 291343Z

SINCE NO PERSON HAS BEEN FOUND IN YOUR OFFICE IN DOHA WILL YOU KINDLY INFORM US PROMPTLY ABOUT OR INSTRUCT THE EMPOWERED PERSON TO RECEIVE ON YOUR BEHALF FROM US WITHIN THE CURRENT WEEK THE NOTICE OF TERMINATION OTHERWISE WE SHALL HAVE TO DELIVER IT TO THE EMBASSY OF USA IN DOHA.

HOWEVER WE ARE ANNEXING HERewith A FULLY COPY OF THE NOTICE TEXT  
IN ENGLISH FOR YOUR INFORMATION.

OUR BEST WISHES

ABDULLA H. SALLAT

THE NOTICE OF TEXT IN ENGLISH

153 EFFECTING THE TERMINATION OF THE PETROLEUM PRODUCTION  
SHARING AGREEMENT OF JANUARY 1, 1976.

(1) BY VIRTUE OF ARTICLE 5 OF THE PRODUCTION SHARING AGREEMENT  
ENTERED INTO ON JANUARY 1, 1976 BETWEEN THE GOVERNMENT OF QATAR  
AND YOUR COMPANY, THE LATTER UNDERTOOK TO DRILL THREE OIL WELLS  
ALL OF WHICH TO PENETRATE THE ARAB ZONES, AND AT LEAST ONE OF WHICH  
TO PENETRATE THE KHUFF ZONE, AS WELL AS TO COMPLETE FIVE  
WORKOVER WELLS WITHIN THE EXPLORATION AREA, DURING A MAXIMUM  
PERIOD OF TWO YEARS FROM THE DATE OF THE CONCLUSION OF THE  
AGREEMENT, SO THAT SAME SHALL HAVE BEEN COMPLETED BY JANUARY  
1, 1978.

THE COMPANY HAS VIOLATED BOTH THESE UNDERTAKINGS AS IT HAS  
FAILED TO COMPLETE EXCEPT TWO OF THE FIVE WORKOVER WELLS, AND HAS  
LIKEWISE FAILED TO DRILL ANY OF THE OTHER THREE WELLS.

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PAGE 03 DOHA 00420 291343Z

(2) FURTHERMORE, BY VIRTUE OF ARTICLES 8, 24 AND 25 OF THE ABOVE  
AGREEMENT, YOUR COMPANY UNDERTOOK TO CARRY OUT THE WORK PROGRAMS  
AGREED UPON, AND TO SUPPLY THE MINISTRY OF FINANCE AND  
PETROLEUM, AS THE COMPETENT BODY REPRESENTING THE GOVERNMENT OF  
QATAR, WITH THE REQUISITE REPORTS, DOCUMENTS, AND DATA IN OR34  
THAT THE MINISTRY BE ABLE TO OBSERVE THE OPERATION BEING PROPERLY  
CONDUCTED, AND TO ISSUE INSTRUCTIONS WHICH IT DEEMS FIT.

THE COMPANY HAS HOWEVER, FAILED TO CARRY OUT THESE FUNDAMENTAL  
OBLIGATIONS.

(3) WHEREAS, ALL OF THESE VIOLATIONS CONSTITUTE GROSS VIOLATIONS  
OF THE AGREEMENT AS WELL AS A MATERIAL BREACH ON THE PART OF  
YOUR COMPANY OF THE FUNDAMENTAL OBLIGATIONS UNDERTAKEN BY IT  
UNDER SAID AGREEMENT, WHEREAS, THE GOVERNMENT BROUGHT THESE  
VIOLATIONS TO THE NOTICE OF THE COMPANY AT THE MEETING HELD  
BETWEEN THE REPRESENTATIVES OF THE TWO PARTIES ON MAY 15, 1977,  
WHEREAS, ARTICLE 35 OF THE AGREEMENT CONFERS UPON THE GOVERNMENT  
THE RIGHT UNILATERALLY TO TERMINATE THAT AGREEMENT IN THE EVENT  
OF THE FAILURE OF THE COMPANY TO FULFIL THE WHOLE OR PART OF ITS  
OBLIGATIONS PROVIDED FOR IN ARTICLE 5, OR OTHER ARTICLES OF THE  
AGREEMENT,

THEREFORE, WE HEREBY GIVE NOTICE THAT THE GOVERNMENT HAS DECIDED TO  
TERMINATE THE AGREEMENT CONCLUDED WITH YOUR COMPANY ON JANUARY  
1, 1976, AND THAT THIS NOTICE SHALL TAKE FULL FORCE AND EFFECT  
AGAINST YOUR COMPANY STARTING 25/3/1978.

THE GOVERNMENT SHALL THEREFORE BE ENTITLED TO TAKE WITHOUT PAYMENT  
ALL INSTALLATIONS, EQUIPMENTS AND MATERIALS USED FOR PETROLEUM  
OPERATIONS IN THE CONTRACT AREA, AND SERVICEABLE FOR ITS  
EXPLOITATION, IN ACCORDANCE WITH ARTICLES 30 (C) AND 35 OF THE  
AFORESAID AGREEMENT.

THE GOVERNMENT HEREBY RESERVES ALL OF ITS OTHER RIGHTS ARISING  
FROM THE TERMINATION OF THE AGREEMENT DUE TO THE FAILURE OF THE  
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PAGE 04 DOHA 00420 291343Z

COMPANY TO FULFIL ITS OBLIGATIONS AS PROVIDED FOR IN THAT  
AGREEMENT.

ABDUL AZIZ BIN KHALIFA AL THANI  
MINISTER OF FINANCE AND PETROLEUM

COPY TO: THE EMBASSY OF THE UNISTED STATES OF AMERICA IN DOHA

ATTN: COMMERCIAL ATTACHE UNQTE  
KILLGORE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**Executive Order:** GS  
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**Expiration:**  
**Film Number:** D780137-0381  
**Format:** TEL  
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**Handling Restrictions:** n/a  
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**Litigation Codes:**  
**Litigation History:**  
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**Office:** ACTION L  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 78 DOHA 405  
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**Review Content Flags:**  
**Review Date:** 24 jun 2005  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3173851  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CANCELLATION OF HOLCAR OIL CONCESSION IN QATAR  
**TAGS:** ENRG, QA, HOLCAR  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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